

AEON CO. (M) BHD.

(Company No. 198401014307 [126926-H])

Animal Health and Welfare Policy

1. Overview

Animal health and welfare are necessary for sustainable and productive livestock. Animal products do not only represent a source of high-quality food but are also a source of income for many small farmers and animal holders within our supply chain. Taking care of the health and welfare of animals could ultimately mean the elimination of hunger, ensuring healthy people and promoting sustainable food production

Changes in livestock production increases the potential for new pathogens to emerge, grow and spread from animals to humans on a global scale. Healthy animals are important to maintain healthy people and a healthy environment.

Animal welfare is important as many animals worldwide are suffering from being used for entertainment, food, medicine, fashion, scientific advancement, as well as exotic pets. Animal welfare is deeply related to the relationship human beings have with animals. It is our duty to ensure all animals are treated humanely, responsibly, and with respect. This is in regard to the physical and mental state of an animal in relation to the conditions in which it lives and dies.

This Policy was developed in alignment with local regulations, such as The Animal Welfare Act 2015 (Act 772) and international bodies, such as Office International des Epizooties (OIE), also known as World Organisation for Animal Health.

2. Purpose

The purpose of the Animal Health and Welfare Policy (hereinafter referred to as "Policy") is to ensure the stakeholders involved in the food supply chain of AEON CO. (M) BHD. (hereinafter referred to as "AEON") adheres to the requirement of this Policy as stated in its statement. The stakeholders could include, but not limited to, farmers and suppliers supplying livestock-derived products to AEON.

3. Objective

The objective of this Policy is to provide a commitment statement along with guidance on the minimum requirement for Animal Health and Welfare. This Policy should be used in conjunction with AEON's Responsible Sourcing Policy.

4. Scope

This Policy applies to AEON businesses and acts as a reference point for all farmers and suppliers of livestock-derived products in AEON businesses.

5. Policy Statement

AEON is committed to protecting the health and welfare of animals in our supply chain. We recognize that our stakeholders (including our customers) are concerned with farm animals' welfare in AEON's supply chain. Thus, we are committed to the highest standards of animal welfare. We also believe that such commitment is needed as it is fundamental to our business because good animal health and welfare will result in high-quality products and win our customers' trust. AEON adopts the internationally recognized "Five Freedoms" as guiding principles for this Policy:

1. **Freedom from hunger and thirst** by providing ready access to fresh water and food that maintains full health and vigor;
2. **Freedom from discomfort** by providing an appropriate environment, including shelter and a comfortable resting area;
3. **Freedom from pain, injury or disease** by prevention or rapid diagnosis and treatment;
4. **Freedom to express normal behaviour** by providing sufficient space, proper facilities, and company of the animal's own kind; and
5. **Freedom from fear and distress** by ensuring conditions and treatment that prevent mental suffering.

AEON strives to work collaboratively with all our farmers and suppliers of livestock-derived products, as well as researchers, vets and welfare NGOs, to identify ways in which high standards of animal health and welfare can be assured in a manner that is achievable for our food supply chain.

We will continuously improve our frameworks, processes and approach to this Policy.

In addition to the "Five Freedoms" principles, we also subscribe to the following principles:

1. We do not allow products from farm animals subject to genetic engineering or cloning and/or their progeny or descendants in any of our products (own-label or branded) in any of our businesses.
2. We do not prohibit using genetically modified feed to produce our non-organic meat, eggs, and milk. We will continuously offer an organic range for customers who prefer to avoid products from animals that may have genetically modified feed.
3. We do not allow the use of growth-promoting substances in any of our products in our businesses beyond those approved by local regulations.

Note that this Policy covers the requirements of animal products supplied to AEON. These include, but not limited to, beef, lamb, pork, poultry and fish and seafood

Minimum requirement of this Policy:

1. All processors and suppliers in AEON's food supply chain must comply with all relevant national and state legislation in regard to animal health and welfare in the country it is produced.
2. Farms and slaughterhouses must meet the respective local legislative requirements as a minimum.

3. Animals should only be transported when their welfare can be appropriately managed. Transport should not compromise the welfare of the animal being transported.
4. Livestock must be fed an adequate diet to maintain health and vigor. The diet should meet the nutrition requirements of that animal.
5. All relevant meat and poultry productions, supplied and sourced should adhere to the “Halal” protocol of the relevant sourced country. The “Halal” status must be compatible with Malaysia’s regulatory requirements.
6. All livestock must have been humanely slaughtered and all animals must be pre-slaughter-stunned.
7. It is recommended that all approved slaughterhouses must have CCTV in place for key animal handling processing areas.
8. It is recommended that antibiotics be used responsibly within our food supply chains to protect the health and welfare of animals when they are ill, as well as reduce the threat of anti-microbial resistance on human health.
9. No livestock is allowed to originate from genetically modified or cloned stock.
10. Animals used to produce organic ranges of meat, eggs and milk must be reared on non-Genetically Modified feed.
11. AEON’s non-food products will only use animal products (e.g. feathers or leather) which are a by-product of the food industry. We strictly prohibit live-plucking of feathers.
12. AEON is committed to eradicating continuous animal confinement where possible, such as removing cages from our egg supply chain.
13. AEON is committed to providing enrichment where possible within our food supply chains such as perches for chickens and encourages free-range chicken.

6. Aspiration

AEON has adopted the following aspiration statement for all fresh, chilled and frozen animal protein products in its supply chain. This is a forward-looking statement and AEON will strive to achieve the aspiration soonest where feasible or with an additional support system in place.

Eggs

We aspire to require all eggs sold in our stores to be sourced from cage-free hens.

Poultry

We aspire to require our chicken suppliers to meet the following requirements:

1. Maintain a maximum stocking density of 6.0 lbs./sq. foot and a prohibition on broiler cages.
2. Provide birds-enriched environments that meet Global Animal Partnership’s standards, including litter, lighting, and enrichment.
3. Process chickens in a manner that avoids pre-stun handling and utilizes a multi-step controlled-atmosphere processing system that induces an irreversible stun.
4. Adopt breeds that demonstrate higher welfare outcomes.

Fish and Seafood

We aspire to require all suppliers of farmed/ wild-caught fish and seafood products to be certified by Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC) or equivalent and to follow World Organization for Animal Health (WOAH)

standards. Suppliers of farmed fish and seafood must perform daily monitoring of water temperature, flow, oxygen, pH, ammonia, carbon dioxide and disease, prevent and treat disease outbreaks, and keep stocking densities at levels that do not harm animal welfare.

Pork

We aspire to require our pork supply from pigs whose parent stock was not confined in individual sow stalls, gestation or farrowing crates. Surgical castration without painkillers and tail docking shall be prohibited, and sufficient environmental enrichment materials and litter should be provided.

Beef

We aspire that surgical castration without painkillers and tail docking shall be prohibited, and sufficient environmental enrichment materials and litter should be provided.

This Policy set the tone for the expectation of AEON on animal health and welfare. AEON expects to set the target and timeline for this Policy over the next 12 months, subject to engagement with various stakeholders (including our suppliers).

Date: 1 September 2022